
Tremaine Wright: Hello, and welcome everyone. I am Tremaine Wright, the chair of the Cannabis Control Board recognizing that we have all board members present or participating remotely, I am pleased to call to order the eighth meeting of the Cannabis Control Board and to welcome all of you who are participating via real-time live stream. This meeting will be recorded, and the recording and transcript will be available to the public on the Office of Cannabis Management's website, cannabis.ny.gov. Information on Cannabis Control Board meetings is available on a designated section of the OCM website. Today's agenda includes several substantive items that we're excited to tackle. These include; Welcoming brief remarks from myself, review and approval of the meeting minutes from the Cannabis Control Board meeting held on March 10th, consideration of recommended conditional cultivator applications for licensure, consideration of the medical cannabis Home Cultivation Revived Regulations, an update on the Social Equity Fund, a report from the Office of Cannabis Management's Executive Director, Chris Alexander, and then we will adjourn. So let's get started. We have been very busy here since our start in October. In the first six months, we've expanded the medical cannabis program. It is now much easier to access the medical program because we have expanded the types of providers who can certify patients, and we've authorized the sale of whole flower which should now provide a more cost friendly option. We have also formally established a Cannabinoid Hemp Program providing clear regulations to our CBD businesses that help keep New Yorkers safe and guide our businesses as they compete in this fast growing market. As we advance these two key pillars of our market, we have also moved quickly to get the adult use market off the ground. Thanks to the support of Governor Hochul, we've announced the Seeding Opportunity Initiative. This initiative positions individuals or family members of individuals with prior cannabis related offenses who also have business experience to be the first licensees for adult-use sales in New York State. This initiative also includes the Adult-use Cannabis Conditional Cultivator License which Governor Hochul signed into law in February and allows our existing hemp farmers to be the first adult-use cannabis licensees to grow cannabis in New York State. Today, we're going to take the next step and consider awarding the first Seeding Opportunity Initiative Cultivator Licenses. So, it has been a very busy 6 months and we're proud of our progress thus far. So, without further ado let's dive into the first order of business.

The first order of business is the review and approval of the meeting minutes from the March 10th Cannabis Control Board Meeting. However, before we move further into today's proceedings, I need to make some brief remarks about the Open Meetings law.

As stated at every board meeting, the Cannabis Control Board is subject to the Open Meetings law to ensure the greatest levels of transparency and public participation in the affairs of government. Due to the ongoing pandemic, we have requested that the members of the public join us via video conference, which we will continue to offer to keep the public and members of this body safe. Now, I will read a brief statement on Open Meetings law into the record. Pursuant to chapter one of the laws of 2022, enacted on January 14, 2022, board members may continue to fully participate in meetings via video conference from locations that are not open to the public provided that the public had the ability to view or listen to such proceedings, and the

Office of Cannabis Management
Control Board Meeting
April 14, 2022

meetings are recorded and later transcribed. The public was provided with information on how to access this meeting within the public meeting notice distributed to members of the press and posted on the OCM website. A recording of this meeting, together with the transcript, will also be available on the OCM website. Previous recordings, meeting minutes, and transcripts are archived on the OCM website as well. Please note there is a designated tab on the website entitled *Board Meetings* which provides access to this information. May I please have a motion to approve the March 10th, 2022 Board meeting minutes?

Rubin McDaniel: Approval.

Tremaine Wright: Thank you Mr. McDaniel. May I have a second on the motion?

Jen Metzger: Second.

Tremaine Wright: Thank you, Ms. Metzger. May is there any discussion by any board member? Hearing none, I will call for a vote. All in favor?

All: Aye.

Tremaine Wright: Oppositions, abstentions? The motion is approved that the March 10th, 2022 board meeting minutes carry. Concerning the next order of business, may I please have a motion to consider and approve resolution No. 2022-05 resolution approving Conditional Cultivator Applications for Licensure?

Jen Metzger: I make that motion.

Tremaine Wright: Thank you Mr. McDaniel. Mr. Alexander could you please provide an overview of the application?

Chris Alexander: Absolutely and thank you Madam Chair and Board Members. This is an exciting moment. The board, if it approves this resolution, will be awarding the first adult-use cannabis licenses in the State of New York to small farmers. This action will put the Seeding Opportunity Initiative in motion by allowing these farmers to cultivate the first products that will be sold in dispensaries owned by just as involved New Yorker's by the end of this year. The process for these applications started at our last board meeting on March 10th when the board approved the application for the Adult-use Conditional Cultivator License. Five days later on March 15th, we opened the portal to begin accepting these applications. The response from farmers has been robust. To date we received more than 150 applications and all are in some stage of review. We were able to fully process and recommend 52 applications by March 31st in time to get them to the board for review. These applications represent the first batch and we're going to continue to process applications on a rolling basis and working to get them to the board for approval as quickly as possible. We understand that the growing season waits for no one and we have to move quickly to help our farmers take full advantage of it. I would just like to add that I'm so proud of the team here at OCM and the work that they've done in this first

application review period and really setting up New York's market for success with these farmers who will lead the way. Thank you Madam Chair.

Tremaine Wright: Thank you. Thank you to the whole team and to Chris for leading us this far. And at this time, I would like to make a motion to amend the pending motion by amending the proposed resolution to incorporate attachment A. Attachment A is a list of the 50 applicants for which I have, as of this morning, made a preliminary determination to grant Conditional Adult-use Cultivator licenses with the exception of two applicants which I shall discuss further momentarily. Attachment A can be seen on the screen in the power point that's currently on display. May I have a second on my motion?

Jen Metzger: I'll second that.

Tremaine Wright: Thank you. Is there any discussion or comment by any board member? Hearing none are there any objections to the applicants or requests that these applicants be brought before the board for consideration?

Jen Metzger: I have no objections to the applicants listed on attachment A and I have no requests that any of these applicants be brought before the board for consideration.

Jessica Garcia: Madam Chair I also have no objection to the applicants listed on attachment A and no requests that any of these applicants be brought before the board for consideration.

Rubin McDaniel: Madam Chair I have no objection to the applicants listed on attachment A and no requests for the applicants to be brought before the board for consideration. But before we move on I just want to say there are probably two unsung heroes here. ITS our technology systems for the State of New York did a great job in getting these applications in the first place. And there are a bunch of people at OCM that grounds out to really read the applications so I just want to express my appreciation to Chris and his whole staff. Thank you.

Tremaine Wright: And Mr. Perry?

Adam Perry: No objections, no requests.

Tremaine Wright: Thank you. Therefore I will call for a vote on the motion um Ms. Metzger?

Jen Metzger: I vote aye.

Tremaine Wright: Ms. Garcia?

Jessica Garcia: Sorry, I vote aye.

Tremaine Wright: Mr. McDaniel?

Rubin McDaniel: Aye.

Tremaine Wright: Mr. Perry?

Adam Perry: Aye.

Tremaine Wright: And I vote in favor of the motion as well. The motion to approve resolution No. 2022-06 resolution approving Conditional Cultivator applications for licensure listed on Attachment A carries. At this time I would like to make a motion to consider and approve an amendment to the previous resolution as carried by amending the resolution to incorporate Attachment B. Attachment B is a list of two applicants for which I have, as of this morning made a preliminary determination to grant Conditional Adult-use Cultivator Licenses to certain individuals and entities that have applied for Conditional Adult-us Cultivator Licenses. Attachment B can be seen on the power point slide currently on display. Any discussion or before we begin any discussion, any recusals?

Male: I'm recusing myself on these two items. I express no opinion.

Tremaine Wright: Thank you. May I have is there any discussion? Hearing none, may I please have a second on the motion?

Rubin McDaniel: Second.

Tremaine Wright: Thank you Mr. McDaniel.

Tremaine Wright: Any question, comment by control board members? Hearing none are there any objections or requests that the applicants be brought before the board.

Jen Metzger: I have no objections to applicants listed on attachment B and I have no requests that any of these applicants be brought before the board for consideration. And if I could just add how thrilled I am that we are starting out of the gate with some grown cannabis on New York farms and I also want to express my appreciation to the staff for all your work in getting this done. Thank you.

Jessica Garcia: I echo those sentiments and I too have no objections to the applicants on attachment B and have no requests for any additional applicants be brought forth to the board for consideration.

Adam Perry: And I have no objections to the applicants on attachment B and have no requests for these to be brought before the board.

Tremaine Wright: I will call for a vote on the motion. Ms. Metzger?

Jen Metzger: Aye.

Tremaine Wright: Ms. Garcia?

Jessica Garcia: Aye.

Tremaine Wright: Mr. McDaniels.

Rubin McDaniels: Aye.

Tremaine Wright: And I vote in favor as well. So the motion to approve resolution No. 2022-06 resolution approving Conditional Cultivator Applications for Licensure listed on attachment A and attachment B carries. And I just want to make sure that we call Mr. Perry and make sure that we invite him back into the meeting. Mr. Perry are you back?

Adam Perry: Yes, I'm here.

Tremaine Wright: (laughing). We are going to continue, we have two more things. We will now hear from the Office regarding the consideration of the Medical Cannabis Home Cultivation Regulations.

Chris Alexander: Thank you, Madam Chair. Again, this is such a momentous day. I would like to invite actually our Director of Health and Safety Nicole Quackenbush to provide this update.

Nicole Quackenbush: I'm here thank you Chris. Madam Chair, members of the board and good afternoon. The public comment period for the Medical Cannabis Home Cultivation Regulation closed on January 18th. As we previously shared, we received over 160 comments from a variety of stakeholders including Drug Prevention and Awareness Coalitions, small farmers, industry associations, clinical associations and more. So we heard a great deal from the public which is the goal of this exercise and we listened closely to the feedback. As a result, we have revised the regulations to include some of the feedback we received. To summarize, these changes include; updating our definitions to provide clarity for terms like *on the grounds* of and private residence; to streamline one of the sections to clarify that the regulations pertain to certified patients and designated caregivers 21 years of age or older; amending the storage and security requirements to maintain protections while also reducing costs; clarifying the plant limit for designated caregivers who are growing for multiple patients, and providing a framework for the sale of medical cannabis seeds or immature plants for home cultivation by entities licensed or registered with the Office. These regulations include provisions for packaging, labeling, transport, storage and selling of seeds and immature plants for the purposes of home cultivation of medical cannabis. If the Cannabis Control Board votes to file the revised regulations today, this will trigger a new 45 day public comment period. The 45 days public comment period would begin on May 4th which is the earliest opportunity for the regulations to appear in the state register. At this time however, and to be clear, home cultivation of medical cannabis is not yet permitted and will not be permitted until the comments from the next round of public comment period are assessed and the board can adopt the revisions and then have them published in the state register.

We recognize that patients are looking for this new option to access their medication at a low cost and we will do everything we can to speed the process along while working within the rules of the state regulatory system. Thank you Chris, I'll turn that back over to you.

Chris Alexander: Thank you Nicole. Madam Chair the Office proposes that you approve to file these regulations and send them out for additional public comment period of 45 days.

Tremaine Wright: Thank you. May I please have a motion to consider and approve resolution No. 2022-07 resolution directing the Office of Cannabis Management to file for public comment medical home cultivation revised regulations.

Adam Perry: So moved.

Tremaine Wright: We have Mr. Perry, thank you. And a second, Ms. Metzger thank you. Is there any discussion, questions, or comments by the board member? Hearing none I'll call for a vote. Ms. Metzger:

Jen Metzger: Aye.

Tremaine Wright: Ms. Garcia?

Jessica Garcia: Aye.

Tremaine Wright: Mr. McDaniel?

Rubin McDaniel: Aye.

Tremaine Wright: Mr. Perry?

Adam Perry: Aye.

Tremaine Wright: And I am in favor as well. The motion to approve resolution No. 2022-07 resolution directing the Office of Cannabis Management to file for public comment Medical Home Cultivation Revised Regulations carries. Our next order of business is that we're going to address during our last Cannabis Control Board Meeting on March 10th, Board member Mr. McDaniel presented an overview of the \$200 million public/private fund that will provide funding to certain eligible applications from communities impacted by disproportionate policing during the decades of cannabis prohibition. I would now like to ask and invite Board member Rubin McDaniel to provide an update on the fund.

Rubin McDaniel: Thank you Madam Chair it is with much excitement as well today, it will be announced that in the budget that was approved by the legislature and signed by the Governor, we now have the funding to seed Social Equity Fund. When you think about the seeding opportunities we're putting those seeds in the ground soon, we need somebody to sell those seeds

from. So this is one component of that solution. The Social Equity Fund will be a \$200 million combination of public and private partnership where we DASNY and OCM work together to identify locations, build out facilities, and get people up and running to be able to distribute cannabis late 22, early 23. So we're very, very excited about this fund. It is a significant step that the State of New York has taken that other states have really had trouble with _____ (mumbled) because access to capital is a big, big obstacle for many to get in front of. So we've gotten a date, we've begun mockups along with what these will look like. We have begun the on the ground real estate work. To date, we have looked at 75 sites physically around the state. We have identified another 450 sites around the state for review. As we speak now, there's a whole team of people in Brooklyn looking at sites, going site to site, they have 20 sites on his docket for today. So a lot of work is being done already. We issued an RFI and received back 10 responses for general partners. RFP should go out some time next week. We are also working on the RFP for design and build part of this component and also thinking about supply chain, we will probably be doing ordering some time in mid May for some of the generic supply like security systems, cabinetry and other things to go into all these facilities. All this designed to make sure that by the time we have good cannabis grown by our great hemp farmers, combined with our new licensees that we're working on regulatory wise, have a place to sell this cannabis. And we're going to make these state of the art great facilities. So, extremely excited. I wanted to thank the Governor for her support, leadership of the Assembly and Senate and their support and a lot of late nights were spent by a lot of people in this room and out of this room. That's one thing Chris and Axel your team, you guys did a great job. I just want to shout out my team Nadine Fontaine is our General Counsel who worked very hard on this and the Governor's Chamber team did a great job. So tough negotiations but this is really going to be a one in the nation way to get social equity really, really actualized in the State of New York. I'm just so proud of it and thanks everyone for their support. So _____ we're ready to go.

Tremaine Wright: Thank you and I want to say thank you for your leadership on this. I will always acknowledge at the table this is a group list but we do know that it does take some leadership and we are so happy that you're here meeting us in this effort. But together we're doing it and I am really excited. I think that everyone in the state is. So, we're going to switch gears, keep the excitement moving and I'm going to ask our Executive Director Chris Alexander for his report.

Chris Alexander: Absolutely. Thank you, Madam Chair and thank you to Rubin. As folks have seen, last week we launched the first public education campaign of the state, the Cannabis Conversations April 4th actually in both English and Spanish. This wide reaching campaign which is already visible on television, billboards, social media and transits, informs the public about the state's new cannabis law. It explains in New York what's legal and what's not under the law where you can legally use cannabis and one can safely use cannabis including protecting youth. The campaign will last 3 months and the initial phase started last week. Such as a 30 second overarching message that highlights the fact that we legalized only for adults 21 and over. How important it is to keep second hand smoke away from other people if you're choosing to smoke cannabis, the importance of locking up cannabis and storing it out of reach of children and pets and, of course, not driving under the influence. If you feel different, you drive different.

We are now going to show a 30 second advertisement that is playing on TV and streaming services.

Video

As we move ahead with this campaign the next phase will reinforce these messages and broaden the campaign to include messages on our equity goals for the industry, educate folks about the medical cannabis program, and the risks of consuming while pregnant or breast feeding. Every advertisement points New Yorkers back to our website cannabis.ny.gov which will continue to be updated with new fact sheets, FAQs and more information under the Cannabis Conversations banner. I encourage everyone to visit and to learn more. Our new approach demonstrates to educating the public on the facts about New York's Cannabis law including information to help protect you and keep New Yorker's safe is our top priority. This educational campaign is just beginning and we're excited to continue to provide opportunities for New Yorker's to learn more about cannabis. Workforce development, thank you to our partners at the Department of Labor. They've launched a new cannabis workforce site a one-stop shop for resources and tools for individuals interested in working and building professional skills in the New York Cannabis Industry. Website will be undated as new opportunities become available and you can see the website listed here on the slide. The offices also at the Department of Labor's 22nd annual Dr. Martin Luther King, Jr. career fair on Thursday, April 7th at the Empire State Convention Center in Albany, job seekers from all over the capital region were able to connect with the office and companies involved in the New York cannabis industry. The office encourages those interested in career opportunities with the Office of Cannabis Management to sign up for office updates on OCM website and to monitor the Officer's Career website. And you can see the specific web address also on the slide.

The last update is a new tax issue also an outcome from the Enacted budget. It's very important to businesses in the cannabis industry and those interested in coming into the space. Due to ongoing federal cannabis prohibition, cannabis businesses operating in legal space like ours cannot deduct normal business expenses when paying taxes. This disproportionately impacts the small and medium sized businesses that are at the core of our cannabis program here in New York. The Enacted Fiscal Year 2023 budget provides some help by decoupling the New York State tax code from federal tax code 280(e) allowing cannabis businesses that will operate in this state to deduct normal business expenses when calculating their state tax liability. We are thankful to the Governor and the legislature for once again delivering the tools to help small businesses prosper in New York and in the cannabis industry that we're building. Thank you Madam Chair.

Tremaine Wright: Thank you. So we've just covered a whole lot of ground today. We have a lot to celebrate here in this State. Thank you everyone for your contributions and giving us this but we still have a long way to go. I just want to note that information regarding our next board meeting including the time, location and a live stream link will be shared on Cannabis.ny.gov in advance of the next Cannabis Control Board Meeting. Additionally a recording of today's

Office of Cannabis Management
Control Board Meeting
April 14, 2022

Page 9 of 9

meeting, our meeting minutes, and a transcription will be posted. That concludes today's agenda. May I please have a motion to adjourn this meeting?

Jen Metzger: I make that motion.

Adam Perry: Second.

Tremaine Wright: And I just want to say thank you. If there are any discussions, questions, or comments from the board members...

Rubin McDaniel: Madam Chair prior to closing, we are hosting in my DASNY office again today I'm glad to have you hear and all the time but I just reflected back as I sat here. We started this journey a couple of folks worked out of our office, you as well for a couple of months. And to see from that little incubator embryonic stage to now is just fantastic.

Tremaine Wright: Thank you. We are delighted. We have a lot to look forward to. I hope that everyone stays connected with us. We've invited you several times to sign up on our website so please continue to do that. We will make sure that we send the alerts because a lots happening here, we have a great team and we want to make sure that you're a part of that. Thank you. So any other comments?

Jen Metzger: Yeah on a different subject, as the Executive Director mentioned, the growing season is the growing season and getting things going so I just want to say that I am open if we need to, to meet on a more accelerated schedule to help move the remaining applications through the process.

Tremaine Wright: Additionally comments? Then I will call for a vote. All in favor?

All: Aye.

Tremaine Wright: The motion to adjourn the meeting carries. Thank you very much and thank you everyone for your service.